



GOVERNOR ARNOLD SCHWARZENEGGER

October 2, 2006

The Honorable Mary Peters
Secretary of Transportation
400 Seventh Street, S.W.
Washington, DC 20590

Dear Madam Secretary,

Congratulations on your confirmation as Secretary of the Department of Transportation. You have the opportunity to lead at a very important time for our nation's transportation systems. Given the strategic role transportation and goods movement play in our economy and quality of life, I look forward to working with you to strengthen California's federal partnership in all areas of transportation.

Very soon you will have the opportunity to rule on the application by Virgin America to provide interstate air service from California. I urge your Department to maintain an expeditious review process. I do not support further delay by those who oppose greater competition in the air passenger carrier market. I have previously discussed my support for Virgin America's application with Undersecretary Maria Cino and appreciate the Department's important role in managing our nation's air transportation system, including the entrance of new carriers that will serve the traveling public and provide greater market competition.

Virgin America's application is vital to meeting California's growing transportation needs and enhancing California's strong economic resurgence. Virgin America will offer tremendous economic benefits to California and is expected to provide as many as 1700 new jobs, with incentives in place for the airline to train displaced airline workers in California. Moreover, consumers will benefit from much needed low-fare ticket pricing competition out of San Francisco International Airport.

For these reasons, Virgin America's application enjoys strong bipartisan support among federal, state and local legislators. I strongly endorse this application and respectfully ask for your consideration and support.



The Honorable Mary Peters
October 2, 2006
Page two

Again, congratulations on your confirmation and I look forward to working with you to ensure that air travelers can benefit the enhanced transportation consumer service that is the promise of Virgin America.

Sincerely,

A handwritten signature in black ink, appearing to read "Arnold Schwarzenegger", written in a cursive, stylized script. The signature is positioned above the printed name.

Arnold Schwarzenegger